

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Balance Sheet As of 6/30/2005

	As of <u>6-30-05</u>	As of <u>6-30-04</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 595,705,367	\$ 538,958,281
INTERNATIONAL EQUITIES	234,576,931	201,367,849
DOMESTIC FIXED INCOME	421,826,873	362,030,777
INTERNATIONAL FIXED INCOME	67,728,541	61,303,144
REAL ESTATE	75,144,363	61,430,839
VENTURE CAPITAL	60,352,473	58,823,345
INVESTED CASH (NOTE 1)	<u>17,857,934</u>	<u>19,060,884</u>
 TOTAL INVESTMENTS	 1,473,192,482	 1,302,975,119
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	3,631,806	2,746,253
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	121,527,394	99,074,494
DUE FROM OTHER AGENCIES (NOTE 3)	<u>18,797</u>	<u>0</u>
 TOTAL ASSETS	 <u>\$ 1,598,370,479</u>	 <u>\$ 1,404,795,866</u>
LIABILITIES:		
ACCOUNTS PAYABLE	1,141,451	977,699
SECURITIES LENDING COLLATERAL (NOTE 2)	121,527,394	99,074,494
DUE TO OTHER AGENCIES (NOTE 4)	<u>0</u>	<u>4,717</u>
 TOTAL LIABILITIES	 122,668,845	 100,056,910
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,304,738,956	1,126,095,333
CASH IN DURING YEAR (NOTE 5)	0	3,789,350
CASH OUT DURING YEAR (NOTE 6)	13,000,000	11,890,000
NET INCREASE (DECREASE)	<u>183,962,678</u>	<u>186,744,273</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,475,701,634</u>	 <u>1,304,738,956</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 1,598,370,479</u>	 <u>\$ 1,404,795,866</u>

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Profit and Loss Statement For the Month Ended 6/30/2005

	Month Ended <u>6-30-05</u>	<u>Year-to-Date</u>
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 3,096,603	\$ 36,144,567
SECURITIES LENDING INCOME	<u>319,572</u>	<u>2,276,477</u>
	3,416,175	38,421,044
 GAIN ON SALE OF INVESTMENTS	 15,337,910	 151,223,947
LOSS ON SALE OF INVESTMENTS	<u>6,035,652</u>	<u>86,052,145</u>
 NET GAINS (LOSSES) INVESTMENTS	 9,302,258	 65,171,802
 INVESTMENT EXPENSES	 646,627	 5,184,701
SECURITIES LENDING EXPENSES	285,577	2,016,404
SIB ADMINISTRATIVE EXPENSES	<u>16,190</u>	<u>131,486</u>
 NET INVESTMENT INCOME	 11,770,039	 96,260,255
 NET APPREC (DEPREC) MARKET VALUE	 12,771,889	 89,698,461
MISCELLANEOUS INCOME/(EXPENSE)	<u>(496,044)</u>	<u>(1,996,038)</u>
 TOTAL INVESTMENT INCOME	 <u>24,045,884</u>	 <u>183,962,678</u>
 NET INCREASE (DECREASE)	 <u>\$ 24,045,884</u>	 <u>\$ 183,962,678</u>

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Notes To Financial Statements
June 30, 2005

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **DUE FROM OTHER AGENCIES**

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 **DUE TO OTHER AGENCIES**

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.